

Kentucky Agricultural Development Fund Update

VOLUME 1, ISSUE 3

DECEMBER 6, 2002

ADF Board Meeting in Review

The Kentucky Agricultural Development Board, chaired by Governor Paul Patton, approved **\$597,593.37** in agricultural diversification projects across the Commonwealth at the monthly Board Meeting on November 15.

Seven non-model projects were approved for \$154,000 in state, \$39,500 in KCADE, and \$28,151 in county funds. These projects ranged in scope from educational programming to poultry breeding.

The balance of the funds approved were for the five model programs. Christian County allocated \$40,000 to their county's Cattle Genetics Program. \$47,193 for Forage Improvement Programs was ap-

proved for Greenup, Morgan and Washington counties. Lawrence, Nicholas and Owsley counties allotted a total of \$157,000 to the Cattle Handling Facilities Program. \$40,750 for Goat Diversification was approved for Magoffin and Nelson counties. Agricultural Diversification Programs were approved for Clinton, Garrard, Jessamine, and Lawrence counties, totaling \$91,000.

To view details of funding decisions from the November meeting, visit the current press release at <http://www.kyagpolicy.com/news.shtml>.

KADF Annual Report Released



The 2002 Annual Report of the Kentucky Agricultural Development Fund was released at the November Agricultural Development Board Meeting in Louisville.

The report highlights the progress of the agricultural development process for the 2002 Fiscal Year (July 2001 to July 2002).

A copy of the report will be mailed to each County Council and all state legislators. The report will also be available on-line at <http://www.kyagpolicy.com>.

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DATES TO REMEMBER:

*Dec. 13—Board Project
Review (Frankfort)*

*Dec. 20—Board Meeting,
10:00 a.m. KY History Cen-
ter (Frankfort)*

ADDITION TO THE FORAGE SEEDLIST

As of December 4, Crown Royale is an eligible Orchardgrass variety under the Forage Improvement & Utilization program.

To view an updated seedlist visit <http://www.kyagpolicy.com/funds/forage.shtml>.

Phase II Update

The Kentucky Tobacco Settlement Trust Corporation, chaired by Governor Paul Patton, announced today the payment rates for the 2002 distribution of the National Tobacco Growers Settlement Trust. Otherwise known as Phase II of the tobacco settlement, the Trust compensates tobacco quota owners, growers and tenants for income losses they incur as the tobacco industry changes. This distribution represents the fourth of the scheduled twelve annual payments from the Trust.

In the first three years, over \$328 million has been distributed through the Trust. This year alone, Kentucky's tobacco farm families will share a total of

\$134,261,964. Compensation is provided equally for three factors of tobacco production: quota, land and labor. Quota compensation is based on crop year 2001 basic quota. Land and labor compensation is based on an average of crop years 1998, 1999, and 2000 effective quota and actual marketing. This average is referred to as payment pounds.

The payment rate from the National Trust is 19.66 cents per basic quota pound. Payments to the individuals or entities that control land and employ labor used to produce burley tobacco are based on an average of the three crop years 1998, 1999, and 2000. Individuals will receive a payment that corre-

sponds to their level of production activity in each crop year.

The payment rate for the Growing Farm will be 3.17 cents per payment pound for crop year 1998, 3.87 cents per payment pound for crop year 1999, and 7.63 cents per payment pound for crop year 2000. The payment rate for the Grower/Tenant will be 3.19 cents per payment pound for crop year 1998, 3.88 cents per payment pound for crop year 1999, and 7.63 cents per payment pound for crop year 2000.

The National Trustee, the JP Morgan/Chase Bank, will issue checks from the National Trust on December 30, 2002.

New Application for Agricultural Development Funds

The **Agricultural Development Fund Application** has been updated to reflect suggestions made by the Phase I Application Taskforce. The new application asks clearer, more specific questions, and provides a more complete budgeting form. Upon completion, the applicant will have a basic business plan.

This application is for projects that fall outside the scope of the County Model Programs.

The application and instructions are available as separate documents, or as a complete packet. The instructions contain a new section that describes the

process once funds have been awarded.

The new application and instructions are available at www.kyagpolicy.com/funds.

All applicants submitting applications after January 1, 2003 must use this application.

KY Natural Resource Leadership Institute (NRLI) Has Openings for Agriculture Leaders

The Natural Resource Leadership Institute (NRLI) is a leadership development program for individuals in agriculture and natural resource fields. The program includes training in interpersonal communication, conflict resolution, policy-making, net-

working, and collaborative problem solving to enable participants to be more successful in their business and community activities.

UK's Department of Forestry administers the NRLI program and received \$39,500 in KCADE

funds at the November Agricultural Development Board meeting.

Anyone interested in applying should contact Don Graves (859) 257-7596. The deadline for applications is December 15.

The Application Process

A common question that arises when working with applicants is, "Why does the process take so long?" To give you a better understanding of the application process, below is an outline you can use as a guide. However, take into consideration that this does not include the county level process, as each county has different schedules for meeting dates and reviews.



The Project Analyst is always there to help applicants through the process. Please feel free to contact the Project Analyst for your Extension Area or any other staff member with any questions you may have.

Board Adopts Wine & Grape Policy Statement

At its September 2002 meeting, the Kentucky Agricultural Development Board (KADB) adopted a policy statement regarding the Kentucky Wine Industry. This policy statement came after the release of the Kentucky Wine Industry Report compiled by Motto Kryla Fischer (MKF).

The Policy Statement is a statement of how the KADB will utilize funds in regards to the grape and wine industry. It also outlines steps the Board deems necessary for the advancement of the wine and grape industry in Kentucky.

To view a copy of the Wine Policy Statement, visit our website. For a copy of the Wine Study send a written request to govkyagpolicy@mail.state.ky.us or fax (502) 564-8990.



See page 3 for program amendment related to grape production.

Model Program Update

Amendment to the Agricultural Diversification Program

In light of the existing grape glut identified by MKF in the *Kentucky Wine Study*, reimbursement for wine grape vines will not be eligible after January 1, 2003. This program change will be evaluated annually based upon the recommendations of the State Viticulturalist.

Save the Date

Farm Family Education Expos

This one-day series of workshops is designed to explore opportunities and services that can help farm families manage the economic transition that they may face.

This winter we will be taking the FFEE to the northeastern and southeastern regions of the state.

December 16—Greenbo Lake SRP

Pre-registration through 12/12; registration at the door.

January 23— TBD

More information is available at www.kyagpolicy.com/kcade/ffee.shtml or by calling our office.

GOAP Website Updates

Agricultural Diversification—Amendment #5:

http://www.kyagpolicy.com/funds/documents/diversification_amend5_021018.shtml

Calendar Updated:

<http://www.kyagpolicy.com/calendar.shtml>

Farm Family Education Expo Material Posted:

<http://www.kyagpolicy.com/kcade/ffee.shtml>

Wine Policy Statement Posted:

http://www.kyagpolicy.com/Documents/wine_policy_stmt.pdf

Forage Seedlist Updated:

http://www.kyagpolicy.com/funds/documents/forage_seedlist.pdf

If you wish to receive any of the documents mentioned in this newsletter either via fax or regular mail, please contact our office by e-mail, govkyagpolicy@mail.state.ky.us, or by phone, (502) 564-4627.

